

Message Text

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53

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 TRSE-00 USIE-00 SSO-00 INRE-00

AID-05 CEA-01 CIAE-00 COME-00 EA-09 FRB-01 INR-07

IO-13 NEA-10 NSAE-00 OPIC-06 SP-02 CIEP-02 LAB-04

SIL-01 OMB-01 OIC-02 NSC-05 SS-15 STR-04 L-03 H-02

PA-02 PRS-01 /116 R

DRAFTED BY EB/IFD/OIA:RJSMITH

APPROVED BY EB/IFD:PHBOEKER

TREASURY:GLPARSKY (SUBS)

----- 121648

O P 261647Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY PARIS IMMEDIATE

INFO USMISSION OECD PARIS PRIORITY

UNCLAS STATE 100538

E.O. 11652: N/A

TAGS: EINV

SUBJECT:REQUEST FOR TRANSMISSION OF POSSIBLE COMPROMISE
TEXT ON INCENTIVES/DISINCENTIVES TO JACQUES DE LAROSIERE

1. REQUEST EMBASSY DELIVER URGENTLY FOLLOWING PROPOSED
REVISION OF INCENTIVES/DISINCENTIVES TEXT CONTAINED IN
IME(76)11 IN OECD INVESTMENT PACKAGE TO JACQUES
DE LAROSIERE, DIRECTOR OF THE TREASURY, MINISTRY OF
ECONOMY AND FINANCE.

BEGIN TEXT:

GOVERNMENTS OF OECD MEMBER COUNTRIES

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DECLARE THAT:

(1) THEY RECOGNIZE THE NEED TO BEGIN BRACKETS STRENGTHEN CO-OPERATION AMONG END BRACKETS BEGIN UNDERLINE TAKE INTO ACCOUNT THE INTERESTS OF OTHER END UNDERLINE MEMBER COUNTRIES WITH A VIEW TO MINIMIZING ADVERSE EFFECTS ON OTHER MEMBER COUNTRIES RESULTING FROM LAWS, REGULATIONS AND ADMINISTRATIVE PRACTICES (HEREINAFTER CALLED "MEASURES") PROVIDING OFFICIAL INCENTIVES AND DISINCENTIVES TO INVESTMENT;

(2) THEY WILL ENDEAVOUR TO MAKE SUCH MEASURES AS TRANSPARENT AS POSSIBLE, SO THAT THEIR IMPORTANCE AND PURPOSE CAN BE ASCERTAINED AND THAT INFORMATION ON THEM CAN BE READILY AVAILABLE.

THE COUNCIL

HAVING REGARD TO ARTICLES 2(C), 2(D), 3 AND 5(A) OF THE CONVENTION ON THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT OF 14TH DECEMBER, 1960;

HAVING REGARD TO THE RESOLUTION OF THE COUNCIL ESTABLISHING A COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES AND, IN PARTICULAR, PARAGRAPH 2 THEREOF, OF 21ST JANUARY, 1975 (C(74)247 (FINAL));

HAVING REGARD TO THE DECLARATION OF GOVERNMENTS OF OECD MEMBER COUNTRIES OFJUNE, 1976 ON OFFICIAL INCENTIVES AND DISINCENTIVES BEGIN BRACKETS FOR (INTERNATIONAL DIRECT END BRACKETS BEGIN UNDERLINE AFFECTING INTERNATIONAL DIRECT END UNDERLINE INVESTMENT:

DECIDES THAT

(1) CONSULTATIONS WILL TAKE PLACE IN THE FRAMEWORK OF THE COMMITTEE AT THE REQUEST OF A MEMBER COUNTRY WHICH CONSIDERS THAT ITS INTERESTS MAY BE ADVERSELY AFFECTED BY THE IMPACT ON ITS FLOW OF INTERNATIONAL DIRECT INVESTMENTS OF MEASURES TAKEN BY ANOTHER MEMBER COUNTRY BEGIN BRACKETS SPECIFICALLY DESIGNED TO PROVIDE INCENTIVES OR DISINCENTIVES FOR INTERNATIONAL DIRECT INVESTMENT END BRACKETS BEGIN UNDERLINE PROVIDING INVESTMENT INCENTIVES OR DISINCENTIVES HAVING A SIGNIFICANT DIRECT EFFECT ON INTERNATIONAL DIRECT INVESTMENTS, BUT NOT INCLUDING THOSE MEASURES THE PRIMARY PURPOSE OF WHICH RELATES TO INTERNAL INVESTMENT POLICY OR MEASURES FOR DOMESTIC MACROECONOMIC MANAGEMENT. END UNDERLINE. THE PURPOSE OF THE CONSULTATIONS WILL BE TO ENDEAVOUR, WITH

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TIVES OR DISINCENTIVES FOR INTERNATIONAL DIRECT INVESTMENT END BRACKETS BEGIN UNDERLINE PROVIDING INVESTMENT INCENTIVES OR DISINCENTIVES HAVING A SIGNIFICANT DIRECT EFFECT ON INTERNATIONAL DIRECT INVESTMENTS, BUT NOT INCLUDING THOSE MEASURES THE PRIMARY PURPOSE OF WHICH RELATES TO INTERNAL INVESTMENT POLICY OR MEASURES FOR DOMESTIC MACROECONOMIC MANAGEMENT. END UNDERLINE. THE PURPOSE OF THE CONSULTATIONS WILL BE TO ENDEAVOUR, WITH

DUE REGARD TO THE NATIONAL ECONOMIC OBJECTIVES OF THE MEASURES CONCERNED, TO MINIMIZE THEIR ADVERSE EFFECT ON THE ECONOMIES OF OTHER MEMBER COUNTRIES.

(2) MEMBER COUNTRIES SHALL SUPPLY, UNDER THE CONSULTATION PROCEDURES, ALL PERMISSIBLE INFORMATION RELATING TO ANY MEASURES BEING THE SUBJECT OF THE CONSULTATION.

(3) THIS DECISION WILL BE REVIEWED AFTER A PERIOD OF (THREE) YEARS, IN PARTICULAR WITH REGARD TO THE POSSIBILITY OF EXTENDING ITS SCOPE.

FOOTNOTE: IN THIS TEXT, BRACKETS INDICATE LANGUAGE WHICH THE UNITED STATES PROPOSES TO DELETE, AND UNDERLINING INDICATES LANGUAGE WHICH THE UNITED STATES PROPOSES TO INSERT. END TEXT.

2. THIS REVISION REPRESENTS MAJOR EFFORT BY USG TO RESPOND TO FRENCH CONCERNS AND TO REACH COMPROMISE WITH THEM ON THIS ISSUE PRIOR TO MEETING OF CIME ON APRIL 29-30.

3. PLEASE INFORM DE LAROSIERE THAT TREASURY UNDER SECRETARY YEO WILL BE CALLING HIM TO FOLLOW UP ON THIS MATTER ON TUESDAY OR WEDNESDAY. SISCO

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 26 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE100538
Document Source: CORE
Document Unique ID: 00
Drafter: RJSMITH
Enclosure: n/a
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Handling Restrictions: n/a
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Margaret P. Grafeld
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